

# TIPS for Servicemembers

## Handling Financed Purchases While on Active Duty



While you are on active duty, you may be protected from creditors who want to terminate a contract or repossess an item because you cannot make timely payments. Here are some tips about your rights.

### Contract Termination

If you cannot make your installment payments on time while you are on active duty, you may have protections. Unless a creditor gets a court order, it cannot terminate your contract if you 1) signed the contract before you went on active duty; and 2) paid a deposit or installment payment before you went on active duty.

### When a Creditor Seeks a Court Order for Repossession or Contract Termination

When a creditor asks the court for a court order, the court may:

- Order the creditor to return your past payments before it can terminate the contract or repossess an item; or
- Delay court proceedings and not issue an order for as long as the court thinks is right (for example, until your active duty ends); or
- Issue a court order that is fair and that protects your interests, the interests of the creditor, and any other parties involved.

### Getting Help

- If you can't afford your payments, go to your installation legal assistance office or financial counselor for advice and assistance.

### Additional Resources

Ask your base legal office for help. For the legal office's contact information, ask your command or visit the Armed Forces Legal Assistance Program website at <http://legalassistance.law.af.mil/content/locator.php>.

California National Guard personnel can also get help from the State Staff Judge Advocate's Office - go to <http://www.calguard.ca.gov/> for contact information.

For information on civilian legal aid resources, go to <http://www.lawhelpca.org>.

The Attorney General's Office cannot give legal advice, but filing a consumer complaint is helpful because it alerts the Office to consumer issues and may help with the Office's investigations. File a complaint with the Attorney General's Office at <https://oag.ca.gov/consumers> or (800) 952-5225.

For more information about military consumer protection, visit <https://oag.ca.gov/consumers/general/military>.

For questions regarding the Department of Justice, contact the Public Inquiry Unit at (916) 210-6276 (voice), or (800) 952-5225 (toll-free in California).